

Fiscal Note

State of Alaska
2021 Legislative Session

Bill Version:	SB 130
Fiscal Note Number:	1
(S) Publish Date:	5/5/2021

Identifier: SB130-DOR-TAX-04-30-2021
Title: ELECTRONIC PULL-TAB GAMES
Sponsor: LABOR & COMMERCE
Requester: (S)L&C

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Tax Division
OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2022 Appropriation Requested	Included in Governor's FY2022 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2022	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	0.0	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	0.0	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None	***		***	***	***	***	***
Total	***	0.0	***	***	***	***	***

Estimated SUPPLEMENTAL (FY2021) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2022) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? TBD

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Agency: Department of Revenue

Phone: (907)269-1033
Date: 04/30/2021 01:00 PM
Date: 04/30/2021

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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Analysis

Background

This bill would allow pull-tab games to be expanded to include electronic pull-tabs or e-tabs. Current statute AS 05.15.690(38) defines a pull-tab game as a game of chance where a card, the face of which is covered to conceal a number, symbol, or set of symbols, is purchased by the participant and where a prize is awarded for a card containing certain numbers or symbols designated in advance and at random. The language of this bill would change the "card" requirement to include an electronic representation of a card.

The Department would need to establish regulations to ensure the quality and data security of the devices used for electronic pull-tabs.

There is no effective date to this bill so it would become effective 90 days after passage.

Revenue Impact

The revenue impacts of this bill cannot be determined due to lack of knowledge about this legislation may change the amount and volume of gaming activity. It is possible that adding electronic pull-tab games to the gaming portfolio could either increase overall gaming activity or just switch activity from an existing game to these new electronic pull-tab games.

The state revenues from pull-tabs sales consists of these sources:

1. Pull-tab tax of 3% of gross receipts less prizes per pull-tab game
2. Pull-tab manufacturer license fee of \$2,500 per year
3. Pull-tab distributor license fee of \$1,000 per year
4. Pull-tab vendor permit fee of \$50 per year per location
5. Net proceeds fee of 1% of net proceeds from a permittee if gross receipts is greater than \$20,000 for all gaming.

The state revenue impacts of the pull-tab tax has averaged about \$2 million per year for the past four years.

Implementation Cost

The cost impacts of this bill cannot be determined at this time until further study and work with electronic pull-tab vendors can occur to better understand how adding this game will impact both the current programming and personnel resources. The Gaming Program uses the current Tax Revenue Management System (TRMS) so the Department is uncertain at this time if interfaces between these new electronic pull-tab systems to TRMS would be needed.